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# A PRESENT CHANCE FOR AMERICAN SHIPPING.

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THE entire range of federal affairs offers no other more promising field for reconstructive legislation at the present time than that afforded by the navigation laws of the United States. That they are old and out of date and out of joint with American progress and performance since the time of their enactment is indicated by their failure to produce the results for which presumably they were framed and by discontent with them, shared by ultra-protectionists and extreme free traders alike. The advocates of free shipping, indeed, bring no stronger indictment against the navigation laws of the country than that brought by those who confess, in effect, the insufficiency of those laws, after a trial lasting almost throughout the nation's lifetime, by asking that they be supplemented by bounties and subsidies paid from the Treasury. Protectionism has been carried to its utmost statutory limit by the absolute prohibition of the purchase of vessels in any but the home market, and surely no more insidious attack upon its inadequacy to produce results could be made than in the assertion of protectionists that a bonus directly from the Treasury is still a necessary incentive to bring purchasers into that exclusive market.

Where discontent with statutes is manifestly so general as to include those who stand at the opposite extremes of an economic theory, as in the matter of the navigation laws, discussion of the theory ties the hands of those who have an earnest desire to accomplish something positive to relieve a condition of affairs far from creditable to the United States. Is there more than an academic value to debates in which the free-ship theory is opposed to

the subsidy theory, when those debates do not hoist the American flag over a single additional vessel and do not give the country the fraction of a per cent. more of a diminishing share in the world's carrying trade? Treasury conditions forbid the consideration of subsidies as a practical measure now and for some years to come; and existing political conditions, as well as the failure of Congress, during many years of alternating party domination, to pass a free-ship bill, are not encouraging to the supporters of such a measure at present, however desirable it be in principle.

If anything is to be done to encourage American shipping, men of widely different views, united, however, on the one point of the insufficiency of existing law, must be willing, at least for the time being, to hold in abeyance their preconceived notions of what *ought* to be done, and look toward what *can* be done. If there be any practical method in legislation by which more American vessels can be built and the American flag can be hoisted over more vessels engaged in the ocean carrying trade, to obtain those desirable results practical men may well afford to waive extreme views and unite upon middle ground, especially if there prove to be a precedent, which is reliably prophetic of benefit to all interests directly involved and to the general welfare.

The present is peculiarly a favorable time for the consideration of such a measure, if one can be found. The friends and opponents of the Wilson tariff bill agree that it will increase our international exchanges; and that increase surely may be taken as a propitious opportunity for the effort to obtain a larger share of the business and profit of ocean transportation. Again, our navy is now more widely scattered over the globe and our national emblem a more familiar sight in foreign ports than for many years. The encouragement which the flag, according to the familiar adage, affords to commerce, for the first time in a third of a century now exists. Still further, a measure of which it may be safely predicted that, in some degree at least, it will afford more employment for labor and capital, appeals with especial force to the American people under existing industrial conditions.

Such a measure fortunately lies close on the surface of recent statutes, needing no change in principle to bring about desirable results, and only such changes in detail as will give it general application, instead of application restricted virtually to one cor-

poration. The act of May 10, 1892, in effect admitted to American registry the two Atlantic liners, "Paris" and "New York," on condition that complete American ownership should be established, and that the American purchasers of those vessels should contract to build in American shipyards a tonnage equivalent to the tonnage of those two vessels, no American-built steamship so constructed to be of less than 7,000 tons burthen. The act also provided that vessels registered under it could be acquired by the government at a fair valuation, if needed as cruisers or transports in time of war. Other conditions were laid down in the act, but their sole effect, if not purpose, was to define two splendid steamships as specifically as if they had been called by name and to give the International Navigation Company a special privilege. This act passed the House of Representatives without division and passed the Senate on a unanimous report by the Committee on Commerce, presented by the Hon. William P. Frye, with few dissenting votes, and that dissent in the main appears from the *Record* to have been based upon objections to the bestowal of a special privilege rather than to the theory of compensating American shipyards with an equivalent in work for American purchases of foreign steamships.

The privilege bestowed by the act of May 10, 1892, has been wisely and beneficially used ; so well used, in fact, as to suggest that if American shipowners and shipbuilders generally were permitted to avail themselves of the privilege it bestowed upon one corporation, our merchant marine would soon be augmented by the purchase and registry of desirable foreign-built vessels, while at the same time construction in our own shipyards would be stimulated.

What would be the probable immediate effects of an act of Congress in brief terms permitting any American citizen to purchase abroad, free of duty, a vessel of any description and of recent construction, and to obtain for it an American register, on the simple condition that before the issue of such register he shall give a bond to the United States, under suitable Treasury regulations, to build in American shipyards a vessel or vessels of equivalent tonnage and value? The answer to this question need not be speculative, for in a restricted field the question was put and the answer rendered by the act of 1892. That act has added two steamships, which have not half a dozen superiors afloat, to the American merchant marine, and the admission of the British-

built "New York" to American registry was made the occasion for jubilation on Washington's Birthday last year, to share in which President Harrison journeyed from Washington to New York. So far from diminishing the opportunities and rewards of American labor, that act has put on the stocks in the yards of Messrs. Cramp & Sons, of Philadelphia, two steamships, all of American design and material, to be launched this year, of which the American public, judging from the splendid work of construction done by the same firm for the American Navy, is warranted in having high hopes. And under the same act the purchase of more foreign steamships by the same corporation, and the construction of an equivalent tonnage in the American yards of the firm named, are contemplated or in progress.

But every American shipowner cannot command the capital to purchase vessels of 8,000 tons or upwards, capable of a continuous speed of twenty knots an hour across the Atlantic, nor has every American shipbuilder the facilities to construct a like class of vessels. The bulk of the carrying trade of the Atlantic and Pacific is not carried on in ocean greyhounds and doubtless never will be. If the principle, so successfully invoked in the case of the "New York" and the "Paris," is to be of general service to American shipowners and shipbuilders, it must not be restricted by conditions as to tonnage and speed which enable only those with the great capital commanded by the International Navigation Company and the Cramps to make use of it. Possibly as a tentative measure the act of 1892 was properly restricted; and certainly the corporation which secured the passage of the measure, and the shipbuilding firm which has developed it into a source of profitable employment for labor and capital, deserve credit. They have demonstrated that a more liberal policy toward shipping than that which was adopted in the early years of the republic as the price for the continued maintenance of the institution of slavery does not mean the closing of American shipyards. The experiment has now been made successfully. It has been shown that the admission of foreign-built vessels to American registry is possible with a simultaneous increase in American construction, and may even contribute to it. To stop with the act of 1892 without carrying it to its logical conclusion by giving it general application and enabling all to share in its benefits, is avowedly to stop short at the grant of a special privilege, to put

aside an opportunity to increase the tonnage of the American merchant-marine and the construction of vessels in American shipyards.

But the act of 1892 is not the only ground on which the admission to American registry of foreign-built vessels, under conditions, if necessary, is manifestly desirable. There is a curious anomaly in the navigation laws of the United States as they stand. If a foreign vessel be wrecked in American waters, and this wreck be repaired at three times its cost as a wreck by American purchasers, it is then entitled to American registry. The eagerness and persistence with which American shipowners and shipbuilders seek to avail themselves of this peculiar provision of the law throw a powerful sidelight on the use which would be made of such a general act as that suggested. Should a staunch vessel of the most recent and approved construction, built abroad, though owned by Americans, be forbidden to fly the American flag, even if its American owners be willing to expend the entire amount of its value as a new and sound vessel or more, in domestic construction? To the American shipowner the new vessel must be of greater value than the repaired wreck, and to the American shipbuilder original construction must be more profitable and more creditable than repair work; yet no possible chance to make use of this old law is neglected. The opportunities afforded by the proposed act, it is safe to predict, would be welcomed.

And if use is made of them, a simple act as outlined must contribute much to a final solution of the shipping question, so called, by giving American shipowners and shipbuilders precise *data* as to the relative first cost of home-built and foreign-built vessels, their relative efficiency, durability, cost of operation, and other factors which make up profit and loss in the carrying trade.

It must stimulate inventive ingenuity by putting side by side with American vessels under one ownership the newest and presumably the best vessels of foreign build of various classes and descriptions.

It must increase the opportunities for the employment of American labor on land and sea.

It must increase the activity of American shipyards by giving them the work of repairs on an increased tonnage of registered American shipping.

It must aid in the development of the industries in steel and iron and other materials, contributory to shipbuilding, now in progress under the stimulus of the rehabilitation of the American navy.

It must increase the share of the United States in the carrying trade of the world.

Finally, these results will be obtained without the objectionable application of public funds to the promotion of private enterprise, without the violation of any canon of equitable taxation, but solely through the methods employed every day by the business man who offsets a high-priced purchase of securities or land or goods with a lower priced purchase in the same lines, and finds his profit by striking an average of his purchases.

Doubtless the time is not many years distant when we shall build ships of iron or steel better and more cheaply than they can be built anywhere in the world, as our native forests enabled us to surpass all in the days of wooden vessels. The navigation laws of the United States will not hasten the dawn of that day, nor can they effectively retard it. But they can and do operate to deprive this generation of opportunities for national development, which the Fifty-second Congress saw and made limited use of when it admitted the "New York" and the "Paris" to American registry.

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